

dustry. Local industrialists were quick to recognize the likelihood of bitter labor conflicts ahead. As Agnelli informed his board of directors at the time, “the transition from the state of war to that of peace” in Turin promised to be one fraught with enormous risks and challenges.

4. *The Post-War Crisis in Turin.*

The end of World War I had immediate repercussions throughout Italy, for in no other victorious country were public expectations of sweeping change so pronounced and widespread. Italians from every walk of life came to see broad political and social change as an inevitable feature of the world emerging from the war. The economic realities of post-war Italy, however, precluded even the partial satisfaction of popular expectations. The war had taken a heavy toll on the economy: the pattern of industry had been distorted, the land exhausted, the balance of trade disrupted, and the railroad system allowed to deteriorate seriously.

The central role of the war industries in Turin’s economy virtually guaranteed that the city would become a storm center of popular unrest and revolutionary agitation on the Italian peninsula after November 1918. Massive layoffs hit workers in the engineering and machine sectors as companies struggled to adapt to peacetime market conditions. Repercussions from the decision of Fiat, in particular, to dismiss 8,000 workers were felt throughout the city, since the automotive giant provided the model for other local enterprises. As a consequence, unemployment in Turin rose steadily before peaking in July 1919. To make matters worse, wartime inflationary trends accelerated after the armistice, eroding the living standards of workers and the lower middle classes. Prices, which had reached 300% of their pre-war levels in 1918, climbed to 465% by the end of 1920. Not surprisingly then, Turin became a major arena of the spontaneous cost-of-living riots that swept the country in the six months after the armistice.

In the first two years of the post-war era, the revolutionary wing of the Socialist movement was the chief beneficiary of the difficult economic situation in the city. The strength of the left became evident already in June 1919 when a general strike, called to commemorate the murder of the revolutionary leader, Rosa Luxemburg, shut down the city. Some 20,000 demonstrators came out into the streets where they clashed with the police in the center. More importantly, the Socialist party achieved impressive results in the parliamentary elections of No-